



# Summary of Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2018 [Consolidated] (From April 1, 2017 to June 30, 2017) [Japan GAAP]

August 4, 2017

Company name:	Relo Group, Inc.	Listed Exchange:	Tokyo Stock Exchange, First Section
Security code.:	8876	URL:	<a href="http://www.relo.jp">http://www.relo.jp</a>
Representative:	Kenichi Nakamura, President and Representative Director	TEL:	03-5312-8704
Contact:	Yasushi Kadota, Senior Managing Director		
Scheduled Date to Submit the Quarterly Securities Report:	August 14, 2017		
Scheduled Date to Start Distributing Dividends:	-		
Supplemental documents for the financial results provided:	None		
Results briefing for the period under review provided:	None		

(Millions of yen, rounded down)

## 1. Consolidated Financial Results for the First Quarter of Fiscal Year Ending March 31, 2018 (From April 1, 2017 to June 30, 2017)

(1) Consolidated Operating Results (% figures represent change from the same period of the previous fiscal year)

	Sales		Operating Profit		Recurring Profit		Net Income attributable to parent shareholders	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ending June 30, 2017	55,445	11.6	3,521	11.6	3,703	14.3	2,426	12.4
Three months ending June 30, 2016	49,683	9.4	3,154	23.4	3,240	23.8	2,158	30.9

(Note) Comprehensive Income: Three months ending June 30, 2017 2,436 million yen (20.0%) Three months ending June 30, 2016 2,030 million yen (15.9%)

	Net Income per Share	Diluted Net Income per Share
	Yen	Yen
Three months ending June 30, 2017	16.18	16.08
Three months ending June 30, 2016	14.69	14.45

(Note) The company conducted a 1-for-10 stock split of common shares with an effective date of 1st April, 2017.

Net income per share and diluted net income per share are calculated based on the assumption that such stock split was implemented at the beginning of the previous fiscal year.

## (2) Consolidated Financial Positions

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
	Millions of yen	Millions of yen	%	Yen
As of June 30, 2017	98,665	39,408	39.5	259.85
As of March 31, 2017	99,347	39,742	39.6	2,622.17

(Reference) Shareholders' Equity: As of June 30, 2017 38,964 million yen As of March 31, 2017 39,312 million yen

## 2. Dividends

	Dividends per Share				
	1st quarter End	2nd quarter End	3rd quarter End	Fiscal Year End	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ending March 31, 2017	-	0.00	-	184.00	184.00
Fiscal year ending March 31, 2018	-	-	-	-	-
Fiscal year ending March 31, 2018 (Projected)	-	0.00	-	21.00	21.00

(Note) 1. Revisions to the latest result projection announced: None

2. The company conducted a 1-for-10 stock split of common shares with an effective date of 1st April, 2017.

For the fiscal year ended March 31, 2017, actual amount of dividends before the stock split is presented.

## 3. Projected Consolidated Results for the Fiscal Year Ending March 31, 2018

(From April 1, 2017 to March 31, 2018)

(% figures represent change from the same period of the previous fiscal year)

	Operating Revenue		Operating Profit		Recurring Profit		Net Income attributable to parent shareholders		Net Income per Share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	%	Yen	
2nd quarter (Accumulated)	108,400	10.1	6,500	10.3	6,800	10.0	4,600	8.5	30.85
Full year	226,000	10.2	15,500	16.9	16,500	15.9	10,500	14.7	70.50

(Note) Revisions to the latest result projection announced: None

\*Notes

(1) Changes in significant subsidiaries during the Fiscal Year (Changes in specified subsidiaries associated with changes in the scope of consolidation): None

Newly consolidated: -  
Excluded: -

(2) Adoption of Special Accounting Treatment for preparing Quarterly Consolidate Financial Statement: None

(3) Changes in Accounting Policies, Changes in Accounting Estimates and Restatements:

1. Changes in accounting policies associated with the revisions of accounting standards: None
2. Changes in accounting principles other than above 1: None
3. Changes in accounting estimates: None
4. Restatements: None

(4) Number of Shares Issued and Outstanding (Common stock)

1. Number of shares issued at the end of period (including treasury stock)	As of June 30, 2017	152,951,200 shares	As of March 31, 2017	152,951,200 shares
2. Number of treasury stock at the end of period	As of June 30, 2017	3,001,327 shares	As of March 31, 2017	3,027,220 shares
3. Average number of shares during the period	1st Quarter of FY2018/3	149,934,259 shares	1st Quarter of FY2017/3	146,912,540 shares

(Note) The company conducted a 1-for-10 stock split of common shares with an effective date of 1st April, 2017.

Total number of issued shares (common shares) are calculated based on the assumption that such stock split was implemented at the beginning of the previous fiscal year.

\* Statement concerning the Status of Financial Audit Procedures

This Summary of Consolidated Financial Results is not subject to audit procedures under the Financial Instruments and Exchange Act. At the time of disclosing this document, audit procedures specified in the Financial Instruments and Exchange Act have not been completed.

\* Statement regarding the proper use of financial forecasts and other specific remarks

The forward-looking statements such as forecasts contained in this document are based on the information currently available to the company and certain assumptions which are regarded as reasonable. Actual results may differ from these forecasts due to various factors.

This translation is to be used solely as a reference and the consolidated financial statements in this release are unaudited.

## Consolidated Financial Statements

### (1) Consolidated Balance Sheets

(Millions of yen)

	Previous fiscal year (As of March 31, 2017)	The first quarter of the reporting fiscal year (As of June 30, 2017)
<b>Assets</b>		
Current assets		
Cash and deposits	13,309	12,305
Notes and accounts receivable-trade	12,094	8,921
Real estate for sale	6,729	6,768
Supplies	501	500
Advance payments	13,291	13,204
Other	10,693	13,653
Allowance for doubtful accounts	(40)	(70)
Total current assets	56,580	55,284
Noncurrent assets		
Property, buildings and equipment		
Buildings and structures	6,749	7,046
Accumulated depreciation	(2,503)	(2,576)
Buildings and structures, net	4,246	4,469
Tools, furniture and fixtures	1,794	1,784
Accumulated depreciation	(1,312)	(1,329)
Tools, furniture and fixtures, net	482	454
Land	2,340	2,340
Other	783	1,040
Accumulated depreciation	(365)	(373)
Other, net	417	667
Total property, buildings and equipment	7,486	7,931
Intangible assets		
Software	1,485	1,864
Goodwill	8,862	8,779
Other	176	175
Total intangible assets	10,524	10,819
Investments and other assets		
Investment securities	10,585	10,464
Lease and guarantee deposits	11,627	11,530
Other	2,603	2,678
Allowance for doubtful accounts	(72)	(55)
Total investments and other assets	24,744	24,618
Total noncurrent assets	42,754	43,369
Deferred assets		
Bond issuance expenses	12	11
Total deferred assets	12	11
Total assets	99,347	98,665

## Consolidated Financial Statements

### (1) Consolidated Balance Sheets

(Millions of yen)

	Previous fiscal year (As of March 31, 2017)	The first quarter of the reporting fiscal year (As of June 30, 2017)
<b>Liabilities</b>		
Current liabilities		
Accounts payable-trade	3,425	2,928
Short-term loans payable	12,663	10,960
Current portion of long-term loans payable	1,695	1,671
Income taxes payable	2,490	925
Advances received	16,067	16,894
Allowance for bonuses	761	391
Other	8,616	10,776
<b>Total current liabilities</b>	<b>45,720</b>	<b>44,547</b>
Noncurrent liabilities		
Corporate bond	1,800	1,500
Long-term loans payable	5,440	6,620
Long-term lease deposits	5,867	5,868
Allowance for loss on guarantees	60	-
Net defined benefit liability	326	325
Negative goodwill	2	1
Other	386	392
<b>Total noncurrent liabilities</b>	<b>13,883</b>	<b>14,709</b>
<b>Total liabilities</b>	<b>59,604</b>	<b>59,257</b>
<b>Net assets</b>		
Shareholders' equity		
Capital stock	2,667	2,667
Capital surplus	2,871	2,871
Retained earnings	36,342	35,995
Treasury stock	(3,246)	(3,218)
<b>Total shareholders' equity</b>	<b>38,634</b>	<b>38,315</b>
Total accumulated other comprehensive income		
Valuation difference on available-for-sale securities	459	483
Foreign currency translation adjustment	222	168
Remeasurement of defined benefit plans	(4)	(2)
<b>Total accumulated other comprehensive income</b>	<b>677</b>	<b>648</b>
Subscription rights to shares	39	39
Non controlling interests	390	404
<b>Total net assets</b>	<b>39,742</b>	<b>39,408</b>
<b>Total liabilities and net assets</b>	<b>99,347</b>	<b>98,665</b>

## Consolidated Financial Statements

### (2) Consolidated Statements of Income

(Millions of yen)

	The first quarter of the previous fiscal year (From April 1, 2016 to June 30, 2016)	The first quarter of the reporting fiscal year (From April 1, 2017 to June 30, 2017)
Sales	49,683	55,445
Cost of Sales	42,131	46,550
Gross operating profit	7,552	8,894
Selling, general and administrative expenses	4,397	5,373
Operating profit	3,154	3,521
Non-operating income		
Interest income	2	1
Dividends income	0	1
Equity in earnings of affiliates	115	73
Foreign exchange gains	-	34
Reversal of provision for loss on guarantees	-	60
Other	38	55
Total non-operating income	156	225
Non-operating expenses		
Interest expenses	31	29
Foreign exchange losses	23	-
Other	15	14
Total non-operating expenses	70	43
Recurring profit	3,240	3,703
Extraordinary loss		
Other	6	9
Total extraordinary losses	6	9
Profit before income taxes	3,233	3,694
Income taxes-current	927	1,011
Income taxes-deferred	111	216
Total income taxes	1,039	1,228
Net income	2,194	2,466
Net income attributable to noncontrolling interests	36	40
Net income attributable to owners of parent	2,158	2,426